

HOUSE BILL 2133
By Miller L

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, relative to taxing authority of county
governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 5, is amended by
adding the following language as a new, appropriately designated section:

Section 67-4-508.

(a) Notwithstanding any provision of law to the contrary, on all transfers of realty whether by deed, court deed, decree, partition deed, or other instrument evidencing transfer of any interest in real estate, a county is empowered to levy for county purposes by action of its governing body a tax on the privilege of having the same recorded, which shall be levied at a rate not to exceed the rate of the transfer tax levied by the state under §67-4-409(a). The transfer tax may be levied and collected in the same manner as the state transfer tax levied by §67-4-409(a), except as otherwise provided in this section.

(b) No resolution authorizing such realty transfer tax shall take effect unless it is approved by a two-thirds (2/3) vote of the county legislative body. Any county adopting a realty transfer tax according to this section may rescind such action by resolution of the county legislative body adopted in the same manner as the resolution imposing this tax.

(c) Each county enacting a realty transfer tax under this section is authorized and encouraged to establish a program to provide rebates to low income, elderly and disabled persons paying the realty transfer tax on transfers

of residential property. Such rebates shall be paid in a manner prescribed in the resolution authorizing the realty transfer tax or any amendment thereto. The resolution shall also establish those classifications of persons eligible to receive the rebate.

(d) Any oath required pursuant to §67-4-409(a) or (b) shall not be introduced as evidence in any proceeding had in connection with any condemnation action for the purpose of indicating the value of such property.

(e) Instruments made pursuant to mergers, consolidations, sales or transfers of substantially all of the assets in this state of corporations, pursuant to plans of reorganization, are exempt from this section.

(f) The recording and re-recording of all transfers of realty in which a municipality is the grantee or transferee shall be exempt from this section.

(g) The proceeds from this tax may be used only:

(1) To fund debt service payments and issuance costs on debt incurred for school purposes with respect to debt incurred before and after the date collection of this tax commences; and

(2) For operating funds for schools with respect to increases in school expenditures occurring after the date collection of this tax commences.

(h) For collecting and reporting taxes levied under this section, county registers shall be entitled to retain as commission two and one-half percent (2½%) of the taxes so collected. The county register in each county that has adopted the tax authorized by this section shall also be entitled to charge and receive a fee of one dollar (\$1.00) for issuing a receipt for taxes collected pursuant to this section, whether this receipt is a separate document or is

included within a receipt for state taxes levied by §67-4-409. Such fee shall be paid when the tax receipt is issued.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.